PROCEEDING OF THE DEPUTY COMMISSIONER(ST)-III, ENFORCEMENT WING : HYDERABAD

PRESENT: J. KAVITHA

DIN	GST/36AAHCG4562D1ZP/21
Office details Designation of the assessing officer Unit Division	DEPUTY COMMISSIONER (ENFT) ENFORCEMENT HOD
Details of the Tax payer Name Legal Name GSTIN	GV RESEARCH CENTERS PRIVATE LIMITED GV RESEARCH CENTERS PRIVATE LIMITED 36AAHCG4562D1ZP
Financial Year	2020-21

Sub: Section under which SCN is being issued Sec.73(1) of TGST Act'2017-Reply filed-examined-Personal hearing notice issued-orders passed.

Ref:
1) DRC-01 in ref.No: ZD3602220020258 dt05-02-2022
2) Reminder Ref.No. ZD360322000544Y dt01/03/2022
3) Reminder Ref.No: ZD360422002904Q dt.12/04/2022
4) Reminder Ref.No. ZD361222060289F dt. 30/12/2022
5) Reply filedRef.No.ZD36022220020258 dt. 17-01-2023
6) Adjournment Ref.No: ZD3601240052407 dt. 05/01/2024
7) Adjournment Ref.No. ZD3610240063512 dt. 07/10/2024
To attend Personal hearing dt21/10/2024

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Take notice that you have not filed annual return in GSTR-09 for the financial year 2020-21.

On examination of the information furnished to this office in GSTR-3B TRAN-1, GSTR-01, GSTR-2A, EWBand other records available in this office it is found that you have not declared your correct tax liability while filing GSTR-3B. The summary of under declared tax is as follows:

SGST Rs.2143094.00 CGST Rs.2143094.00 Total Rs.4286188.00

The details of the above tax liability are as follows:

1. Excess claim of ITC:

- **Excess ITC claimed in GSTR-3B compared to the tax on inward supplies declared by**

You have claimed excess ITC in GSTR-3B as compared to the tax declared by your suppliers onthe supplies made to you.

S.No	Description	Table No. in GSTR-3B	SGST	CGST	Total
1	2	3	4	5	6
1	ITC claimed in GSTR-3B	4(A)(5) + 4 (D)(1)	3411329.00	3411329.00	6822658.00
2	Tax declared by the suppliers on the supplies made to you.	Cumulative figures of GSTR-01 filed by suppliers	2183877.10	2183877.10	4367754.20
3	Excess ITC availed	S.No.1 (-) S. No.2	1227451.90	1227451.90	2454903.80

- **TC to be reversed on non-business transactions & exempt supplies**

Under Sec 17(1) & (2) where the goods or services or both are used by the registered person partly for the purpose of business, partly for other purposes or partly used for effecting exemptsupply and partly for taxable supply then the amount of credit shall be restricted to so much ofthe input tax as is attributable to the taxable supplies in the course of business. Therefore the taxable person needs to make an apportionment of available input tax credit under Rule 42 & 43 to arrive at the eligible ITC.

However as seen from the GSTR-3B return filed it is evident that you have not made such apportionment resulting in excess claim of ITC than you are eligible. The details of the workingare as under:

S.No	Issue	Table no. inGSTR-3B		SGST	CGST	Total
1	2	3	4	5	6	7
1	Total supplies	3.1-3.1(D)	264044.00	-	-	-
2	Exempt supplies	3.1(c)+3.1(e)	19569.00	-	-	-
3	Proportion of common ITC which has to be reversedto the extent of exempt supply (2/1 above)		0.074112	-	-	-
4	Common input tax credit	4A+Tran 1+ Tran 2	-	3468979.00	3468979.00	6937958.00
5	ITC to be reversed	[S.No.2]/[S. No.1]X[S.No. 4]	-	257092.97	257092.97	514185.94
6	ITC reversed as per GSTR-3B	4B(1)	-	0.00	0.00	0.00
7	Difference/Excess ITC claimed	S.No.5 (-) S. No.6	-	257092.97	257092.97	514185.94

Therefore the excess ITC claimed is proposed to be recovered.

- **Under declaration of Ineligible ITC:**

Under Sec 17(5) of the SGST Act, 2017 input tax credit shall not be available in respect of thelist of commodities & services mentioned therein subject to certain conditions.

It is seen from GSTR-3B and other information that they have claimed ITC on these commoditiesand therefore the ITC claimed on these commodities or services is proposed to be recovered.

S.No	Commodity/Service	HSN code	Table no. in GST R-3B	SGST	CGST	Total
1	2	3	4	5	6	7
1	Works contractors	9954;		705773.13	705773.13	1411546.26
A	Total ineligible ITC u/s 17(5)	-		705773.13	705773.13	1411546.26
B	Ineligible ITC declared in GSTR-3B	-	4D.(1)	47224.000	47224.000	94448.000
C	Difference/excess ITC claimed	-		658549.13	658549.13	1317098.26

The total tax payable on account of these deficiencies after giving credit to the payments madein cash and ITC adjusted is arrived as follows:

S.No	Issue	SGST	CGST	Total
1	2	3	4	5
1	Total tax due in (1) above	2143094.00	2143094.00	4286188.00

Accordingly a DRC-01 notice was issued on 05-02-2022 vide refrence 1st cited to pay tax or to file written objections within (30) days from the date of receipt of this notice.. In the reference 2nd to 4th cited reminders were issued. Having received the notice the tax payer has filed a objections vide reference 5th cited. Further the tax officer has also given an opportunity to attend personal hearing vide reference 7th cited .But the tax payer did not appear before the undersigned. The reply was examined and issue wise discussed is as under.

Point No:1 Excess ITC claimed in GSTR-3B compared to the tax on inward supplies declared by In Re: No excess claim of ITC in GSTR-3B compared to the difference between GSTR-01 filed by the suppliers of the Noticee & GSTR-3B:

The tax payer stated that

11. Noticee submits that the impugned Noticee has alleged that the Noticee has excess claimed ITC of Rs.24,54,903/- in GSTR-3B as compared to the tax declared by the suppliers of Noticee in GSTR-01.

12. Noticee submits that ITC cannot be denied merely due to non reflection of invoices in GSTR-2A as all the conditions specified under Section 16 of CGST Act, 2017 has been satisfied. Further, Noticee submits that GSTR-A cannot be taken as a basis deny the ITC in accordance with Section 41, Section42, Rule 69 of CGST Rules, 2017.

13. Noticee submits that the condition for availment of credit is provided under

section 16(2) of the Central Goods and Service Act, 2017 which doe not state that credit availed by the recipient needs to be reflected in GSTR-2A, further Noticee has also not been bought out as to which provision under the Central Goods and Service Tax, 2017 or rules made thereunder required that credit can be availed only if the same is reflected in GSTR-2A. Hence, issuance of the Noticee on such allegation, which is not envisaged under the provisions of the CGST/ SGST Act., Extract of section 13(2)(c) is given below:

"**Section 16(2)(c) subject to the provisions of Section 41**, the tax charged in respect of such supply has been actually paid to the Government, either in cash or through utilization of input tax credit admissible in respect of the said supply."

14. As seen from Section 16(2)(c), ITC can be availed subject to Section 41 of the GST Act which deals with the claim of ITC and the provisional acceptance thereof.

"Section 41. Claim of input tax credit and provisional acceptance the thereof

(1) Every registered person shall, **subject to such conditions and restrictions as may be prescribed, be entitled to take the credit of eligible input tax, as self-assessed, in his return and such amount shall be credited on a provisional basis** to his electronic credit ledge.

(2) The credit referred to in sub-section (I) shall be utilized only for payment of self-assed output tax as per the return referred to in the said sub-section"

From the above- referred section, it is clear that every registered person is entitled to take credit of eligible ITC as self-assessed in his return and the same will be credited to the electronic credit ledger on a provisional basis.

15. In this regard, it is submitted that Section 42, ibid specifies the mechanism for matching, reversal, and reclaim of ITC wherein it was clearly stated the details of every inward supply furnished by a registered person shall be matched with the corresponding details of outward supply furnished by the supplier in such manner and within such time as may be prescribed.

16. Further, Rule 69 of CGST Rules, 2017 specifies that the claim of ITC on inward supplies provisionally allowed under Section 41 shall be matched under Section 42 after the due date for furnishing the returns in GSTR-01. Further, the first proviso to Rule 69 also sales that if the time limit for furnishing Form GSTR 01 specified under Section 37 and Form GSTR-2 specified under Section 38 has been extended then the date of matching relating to the claim of the input tax credit shall also be extended accordingly.

17. The Central Government vide Notification No.19/2017-CT dated 08.08.2017, 20/2017-CT dated 08.08.2017, 29/2017-CT dated 05-09-2017, 44/2018-CT dated 10-09-2018, has extended the time limit for filing GSTR-2 and GSTR-3. Further, vide Notification No. 11/2019-CT dated 07-03-2019 stated that the time limit for furnishing the details or returns under Section 38(2) (GSTR-2) and Section 39(1) GSTR 3 for the months of July 2017 to June 2019 shall be notified subsequently.

18. From the above-referred Notifications, it is very clear that the requirements to file GSTR 2 and GSTR 3 has differed for the period July 2017 to June 2019 and subsequently, it was stated the due date for filing would be notified separately. In absence of a requirement to file GSTR-2 and GSTR-3, the matching mechanism prescribed under Section 42 and with Rule 69 will also get differed and become inoperative.

19. Once the mechanism prescribed under Section 42 to match the provisionally allowed ITC under Section 41 is not in operation, the final acceptance of ITC under Rule 70 is not possible thereby the assessee can use the provisionally allowed ITC until the due date for filing GSTR 2 and GSTR 3 is notified. Hence, there is no requirement to reverse the provisional ITC availed even though the supplier has not filed their monthly GSTR-3B returns till the mechanism to the GSTR 2 and GSTR 3 or any other new mechanism is made available.

20. Noticee further submits that Finance Act, 2022 has omitted Section 42, 43 and 43A of the CGST Act, 2017 which deals ITC matching concept. Noticee submits that the substituted Section 38 of the CGST Act, 2017 now states that only the eligible ITC which is available in the GSTR-2B (Auto generated statement) can be availed by the recipient. Now, GSTR-2B has become the main document relied upon by the tax authorities for verification of the accurate ITC claims. Hence, omission of sections 42, 43 and 43A has eliminated the concept of the provisional ITC claim process, matching and reversals.

21. Once the mechanism prescribed under Section 42 to match the provisionally allowed ITC under Section 41 is not in operation and has been omitted by the Finance Act, 2022 the effect of such omission without any saving clause means the above provisions was not in existence or never existed in the statue. Hence, request you to drop the proceedings initiated.

22. Noticee submits that Section 38(1) of the CGST Act, 2017 provides as under:

"SECTION 38. Furnishing details of inward supplies. – (1) Every registered person, other than an input Service Distributor or a non-resident taxable person or a person paying tax under the provisions of section 10 or section 51 or section 52, shall verify, validate, modify or delete, if required, the details relating to outward supplies and credit or debit notes communicated under sub-section (1) of section 37 to prepare the details of his inward supplies and credit or debit notes and may include therein, the details of inward supplies and credit or debit notes received by him in respect of such supplies that have not been declared by the supplier under sub-section (1) of section 37."

Therefore, the aforesaid provisions mandate for filing of GSTR 2 by incorporating the details of the invoices not declared by the vendors. Further, the ITC so declared is required to be matched and confirmed as per provisions of Sec. 42 and 43 of the CGST Act, 2017. Hence, Noticee submit that on our hand the law allows the recipient to even claim ITC in respect of the invoices for which the details have not been furnished by the vendors. On the other hand, Rule 60 of the CGST Rules, 2017 which deals with the procedure for filing of GSTR 2 in fact does not provide for its filing at all but only provides for the auto-population for the data filed by the vendors in GSTR 2A/2B. The same therefore clearly runs contrary to Sec.38 discussed above.

23. The Section 38 read with Rule 60 had prescribed the FORM GSTR 2 which is not made available till 30.09.2022. notification No. 20 Central Tax dated 10th Nov 2020 has substituted the existing rule to w.e.f. 1.1.2021 meaning there by the requirement of Form GSTR 2 necessary in order to due compliance of Section 38. In the absence of the said form, it was not possible for the taxpayer to comply with the same. Further, Form GSTR 2 has been omitted vide Notification No. 19/2 Central Tax dated 28.09.2022 w.e.f. 01.10.2022.

24. Further, it is submitted that Section 42 clearly mentions the details and procedure of matching, reversal, and reclaim of input tax credit with regard to the inward supply. However, Section 42 and Rule 69 to 71 have been omitted w.e.f 01.10.2022.

25. Noticee submits that the Rule 70 of CGST Rules 2017 which prescribed the final acceptance of input tax credit and communication thereof in Form GST MIS-1 and Rule 71 prescribes the communication and rectification of discrepancy in the claim of input tax credit in form GST MIS-02 and reversal of claim of input tax credit. Further, Rule 70 has been omitted vide Notification No. 19/2022 Central Tax dated 28.09.2022 w.e.f. 01.10.2022.

26. It is submitted that neither the form has been prescribed by the law nor the same has been communicated to the Noticee therefore it is not possible to comply with the condition given in Section 42 read with Rule 69, Rule 70 and 71. Hence, the allegation of the impugned Noticee is not correct.

27. Noticee Submits that as Section 41 allows the provisional availment and utilization of ITC, there is no violation of section 16(2)(c)of GST Act, 2017, therefore, the ITC availed by Noticee is rightly is rightly eligible. Hence, request you to drop the proceedings initiated.

28. The above view is also fortified from the press release dated 18.10.2018 wherein it was stated that "It is clarified that the furnishing of outward details in FORM GSTR-1 by the corresponding supplier(s) and the facility to view the same in FORM GSTR-2A by the recipient is in the nature of taxpayer facilitation and does not impact the ability of the taxpayer to avail ITC on self-assessment basis in consonance with the provisions of section 16 of the Act. The apprehension that ITC can be availed only on the basis of reconciliation between FORM GSTR 2A and FORM GSTR-3B conducted before the due date for filing of return in FORM GSTR-3B for the month of September 2018 is unfounded as the same exercise can be done thereafter also. From this, it is clear that input tax credit can be availed even if the same is not indicated in Form GSTR 2A and hence the Noticee issued is contrary to the same.

29. Without prejudice to the above, Noticee submits that even if the matching mechanism is in place, the unmatched ITC amount will get directly added to the electronic liability ledger of the assessee under sub-section (5) of Section 42 and there is not requirement to reverse the ITC availed.

30. Noticee submits that only in exceptional cases like missing dealer etc., the recipient has to be called for to pay the amount which is coming out from Para 18.3 of the minutes of 28th GST Council meeting held on 21.07.2018 in New Delhi which is as under:

"18.3----He highlighted that a major change proposed was that no input tax credit can be availed by the recipient where goods or services have not been received before filing of return by the supplier. This would reduce the number of pending invoices for which input tax credit is to be taken. There **would be no automatic reversal of input tax credit** at the recipients end where tax had not been paid by the supplier. **Revenue administration shall first try to recover the tax from the seller and only in some exceptional circumstances like missing dealer, shall companies, closure of business by the supplier, input tax credit shall be recovered from the recipient by following the due process of serving of Noticee and personal hearing**. He stated that though this would be part of IT architecture, in the law there would continue to be a provision making the seller and the buyer jointly and severally responsible for recovery of tax, which was not paid by the supplier but credit of which had been taken by the recipient. This would ensure that the security of credit was not diluted completely."

Thereby, issuing the Noticee without checking with our vendors the reason for non-filing of the returns etc., runs against the recommendations of the GST council.

31. Without prejudice to above, Noticee submits that even if there is differential ITC availed by the Noticee, the same is accompanied by a valid tax invoice containing all the particulars specified in Rule 36 of CGST Rules based on which Noticee has availed ITC. Further, Noticee submits that the value of such supplies including taxes has been paid tc such vendors thereby satisfying all the other conditions specified in Section 16(2) of the CGST Act, 2017. As all the conditions of Section 16(2) are satisfied, the ITC on the same is eligible to the Noticee hence the impugned Notice needs to be dropped.

32. Noticee submits that the fact of payment or otherwise of the tax by the supplier is neither known to us nor is verifiable by us. Thereby it can be said that such condition is impossible to perform and it is a known principle that the law does not compel a person to do something which he cannot possibly perform as the legal maxim goes: **lex non-cogit ad impossiblitla, as was held in the case of:**

a. Indian Seamless Steel & Alloys Ltd Vs UOL 2003 (156) ELT 945 (Bom.)
b. Hico Enterprises Vs CC, 2005 (189) ELT 135 (T-LB). Affirmed by SC in 2008 (228) ELT 161 (SC)

Thereby it can be said that the condition, which is not possible to satisfy, need not be satisfied and shall be considered as deeded satisfied.

33. Noticee submits that Section 76 of CGST Act, 2017 provides the recovery mechanism to recovery the tax collected by the supplier but not paid to the government. Further, Section 73 and 74 also provides the recovery mechanism to recover the GST collected by away of issued of notice. In this regard, Noticee submits that the revenue department cannot straight away deny the ITC to the recipient of goods or services without exercising the above referred powers.

34. Noticee further submits that without impleading the supplier the department cannot deny ITC to the recipient . Further, Section 16(2) of CGST Act, 2017 states that if the tax is not remitted by the supplier the credit can be denied and to ascertain the same, the department should implead the supplier first. In the instant case, no such act is initiated by the department against the supplier instead proposed to deny the ITC to the recipient which is not correct.

35. Noticee submit that if the department directly takes action against the recipient in all cases, then the provisions of Section 73, 74 and 76 would be rendered otiose, which is not the legislative intent. Further, we would like to submit that the department cannot be a mute spectator or maintain sphinx like silence or dormant position. In this regard Noticee wish to reply on recent Madras High Court decision in case of M/s. **D.Y. Beathel Enterprises Vs State Tax Officer (Data Cell) (Investigation Wing), Tirunelveli2021(3) TMI 1020-Madras High Court** wherein it was held that

"12. Therefore, if the tax had not reached the kitty of the Government, then the liability may have to be enetually borne by one party, either the selleror the buyer. In the case on hand, the respondent does not appear to have taken any recovery action against the seller / Charles and his wife Shanthi, on the present transactions.

13. The learned counsel for the petitioners draws my attention to the SCN, dated 27-10-2020 finalizing the assessment of the seller by excluding the subject transactions alone. I am unable to appreciate the approach of the authorities. When it has come out that the seller has collected tax from the purchasing dealers, the omission on the part of the seller to remit the tax in question must have been viewed very seriously and strict action ought to have been initiated against him.

That apart in the enquiry in question, the Charles and his Wife ought to have been examined. They should have been confronted."

36. Noticee submit that the Input tax credit should not be denied only on the ground of the transaction not been reflected in GSTR-2A. In this regard, Noticee wish to place reliance on the judgement of Hon'ble Kerala High Court in the case of St. Joseph Tea Company Ltd., Paramount Enviro Energies Versus the State Tax Officer, Deputy Commissioner, State GST Department, Kottayam, State Goods and Service Tax Department, Goods and Service Tax Network Ltd. (2021 (7) TMI 988 – Kerala High Court) wherein it was held that "7. In the circumstances, the only possible manner in which the issue can be resolved is for the petitioner to pay tax of the period covered by provisional registration from 01.07.2017 to 09.03.2018 along with applicable interest under From GST DRC-03 dealing with intimation of payment made voluntarily or made against the show cause Notice (SCN) or statement. If such payment is effected, the recipients of the petitioner under its provisional registration (ID) for the period from 01.07.2017 to 09.07.2018 shall not be denied ITC only on the ground that the transaction is not reflected in GSTR 2A. it will be open for the GSTR 2A. it will be open for the GST functionaries to verify the genuineness of the tax remitted, and credit taken. Ordered accordingly."

37. Noticee further submits that for the default of the supplier, the recipient shall not be penalized therefore the impugned Noticee shall be dropped. In this regard, reliance is placed on **Quest Maerchandising India Pvt. Ltd. Vs Government of NCT of Delhi and others 2017 – TIOI-2251-HC-DEL-VAT** wherein it was held that

"54. The result of such reading down would be that the Department is precluded from invoking Section 9(2) (g) of the DVAT to deny ITC to a purchasing dealer who has bona fide entered into a purchase transaction with a registered selling dealer who has issued a tax invoice reflecting the TIN number. **In the event that the selling dealer has failed to deposit the tax collected by him from the purchasing dealer, the remedy for the Department would be to proceed against the defaulting selling dealer to recover such tax and not deny the purchase dealer the ITC.**

38. Noticee further submits that in case of Hon'ble Karnataka High Court in a writ petition filed by **M/s ONXY Designs Versus The Assistant commissioner of Commercial Tax Bangalore 2019(6) TMI 941** relating to Karnataka VAT has held that " is clear that the benefit of input tax cannot be deprived to the purchaser dealer if the purchaser dealer satisfactorily demonstrates that while purchasing goods, he has paid the amount of tax to the selling dealer. If the selling dealer has not deposited the amount in full or a part thereof, it would be for the revenue to proceed against the selling dealer"

39. Noticee submits that under the earlier VAT laws there were provisions similar to Section 16(2) ibid which have been held by the Courts as unconstitutional. Seome of them are as follows

a. **Arise India Limited Vs. Commissioner of Trade and Taxes, Delhi - 2018 – TIOL-11-SC-VAT** was rendered favorable to the assessee. This decision was rendered in the context of section 9(2) (g) of the Delhi Value Added Tax Act, 2004 which is a similar provision wherein the credit availment of the recipient is dependent on the action taken by the supplier.
b. **M/s Tarapore and Company Jamshedpur v. the State of Jharkhand – 2020- TIOL-93-HC-JHARKHAND-VAT** This decision was rendered in the context of section 18 (8)(xvii) of Jharkhand Value Added Tax Act, 2005 similar to the above provision.

The decisions in the above cases would be equally applicable to the present context of Section 16(2) ©

40. **Noticee further submits that the fact that there is no requirement to reconcile the invoices reflected in GSTR-2A vs GSTR-3B is also evident from the proposed amendment in Section 16 of GST Act, 2017 in Finance Act, 2021 as introduced in Parliament. Hence, there is no requirement to reverse any credit in absence of the legal requirement during the subject period**.

41. **Similarly, it is only Rule 36(4) of CGST Rules, 2017 as inserted w.e.f 09.10.2019 has mandated the condition of reflection of vendor invoices in GSTR-2A with Adhoc addition of the 20% (which was later changed to 10% & further to 5%). At that time, the CBIC vide Circular 123/42/2019 dated 11-11-2019 categorically clarified that the matching u/r. 36(4) is required only for the ITC availed after 09.10.2019 and not prior to that. Hence, the denial of the ITC for non-reflection in GSTR-2A is incorrect during the subjected period**.

42. Noticee submits that Rule 36(4), ibid restricts the ITC on the invoices not uploaded by the supplier. However, such restrictions were beyond the provisions of CGST Act, 2017 as amended more so when Section 42 & 43 of CGST Act, 2017 which requires the invoice matching is kept in abeyance and filing of Form GSTR-2 & GSTR-3 which implements the invoice matching in order to claim ITC was also deferred. Thus the restriction under Rule 36(4), ibid is beyond the parent statute (CGST Act, 2017) and it is ultra vires. In this regard, reliance is placed on the Apex Court decision in the case of Union of India Vs S. Srinivasan 2012 (281) ELT 3(SC) wherein it was held that 'if a rule goes beyond the rule making powerconferred by the statute, the same has to be declared ultra vires. If a rule supplants any provisions for which power has not been conferred, it becomes ultra vires. The basic test is to determine and consider the source of power which is relatable to the rule. Similarly, a rule must be in accord with the parent statute as it cannot travel beyond it."(para16). Once any rule is ultra vires, the same need not be followed. Hence the proposition to deny the ITC stating that invoices not reflected in GSTR-2A require to be dropped.

43. Noticee submits that the aforesaid Rule can be considered to be valid only if the provisions of the Act envisage such restriction. Noticee submits that Section 16(2) of the CGST Act, 2017 as presently applicable provides that a registered person shall not be entitled to ITC unless he satisfies the give four conditions. A perusal of the said provisions shall reveal that none of the conditions provides for the furnishing of the details of the invoice in GSTR 1 by the vendors. It may be noted that the actual payment condition under clause © cannot be inferred to include the condition of the furnishing of the details in GSTR 1. It is for the simple reason that the furnishing of the details of outward supplies is u/s 37 of the CGST Act, 2017 which is distinct and at present legally not linked with the furnishing of the return and payment of tax u/s 39 of the said Act. In fact, an amendment made u/s 75 by virtue of Finance Act, 2021 to the effect that the expression "self –assessed tax" shall include the tax payable in respect of details of outward supplier furnished under section 37, but not included in the return furnished under section 39 and shall permit the direct recovery of the said tax so declared also confirms that the declaration of the details u/s 37 in GSTR 1 do not confirm the payment of tax. Hence, it can be stated that in absence of any provisions in the Act enabling the formulation of Rule 36(4), the same has to be declared as invalid.

44. The aforesaid view has also been recognized as evident from the rationale for the amendment under discussion (i.e. clause (aa)) as expressly stated in the minutes of the GST Council meeting. The agenda note (supra) clearly has recognized the said gap between the Act and the Rule by stating that the proposed

amendment is aimed to "to complete this linkage of outward supplies declared by the supplier with the tax liability, by also limiting the credit availed in FORM GSTR 3B to that reflected in the GSTR2A of the recipient, subject to the additional amount available under rule 36(4)". Hence the amendment by way of clause (aa) leads to a conclusion that the provisions of Rule 36(4) shall not be valid till the said clause is notified.

45. Noticee submit that Section 38(1) of the CGST Act, 2017 permits the recipient to declare the details of the missing invoices in GSTR 2 and claim the ITC thereof subject to eventual matching. Clause (aa) on the other hand seeks to allow the ITC only if the details are furnished by the vendors. Hence, Noticee submit that the law is asking the recipient to do the impossible by (a) not making the provisional claim of ITC by filing GSTR 2 and asking the vendors to accept the liability and (b) determining the eligibility solely based on filings done by the said vendors which are not in the control of the recipient. Hence, based on the doctrine of supervening impossibility that the ITC of the genuine recipient cannot be denied by virtue of the provisions of clause (aa).

46. Noticee submits that based on the above submissions, it is clear that the ITC availed by the taxpayer is rightly eligible and there is no requirement to pay any interest on the same. Hence, the impugned Noticee to that extent needs to be dropped.

47. Noticee wishes to rely on recent decisions in case of :

a. **Jurisdictional High Court decision in case of Bhagyanagar Copper Pvt. Ltd Vs CBIC and Others 2021-TIOL-2143-HC-Telangana-GST**
b. **M/s. LGW industries limited Vs UOI 2021 (12) TMI 834-Calcutta High Court**
c. **M/s. Bharat Aluminium Company Limited Vs UOI & Others 2021 (6) TMI**
d. **M/s. Sanchita Kundu & Anf. Vs Assistant Commissioner of State Tax 2022 (5) TMI 786- Calcutta High Court.**

48. Noticee submits that in the case of **Global Ltd. v. UOI – 2014 (310) E.L.T. 833(Guj.)** it was held that dental of ITC to the buyer of goods or services for default of the supplier of goods or services, will severely impact working capital and therefore substantially diminished ability to continue business. Therefore, it is a serious affront to his right to carry on his trade or business guaranteed under Article 19(1)(g) of the Constitution.

49. Noticee submits that the denial of ITC to the buyer of goods or services for default of the supplier of goods or services, is wholly unjustified and this causes the deprivation of the enjoyment of the property. Therefore, this is positively violative of the provision of Article 300A of the Constitution of India – **Central Excise, Pune v. Dal Ichi Karkaria Ltd., SC on 11 August 1999 (1999 (112) E.L.T. 353 (S.C.))**

50. Noticee submits that the denial of ITC to the buyer of goods or services for default of the supplier of goods or services, clearly frustrates the underlying objective of removal of cascading effect of tax as stated in the Statement of object and reasons of the Constitution (One Hundred and Twenty Second Amendment) Bill, 2014. It is an established principle of law that it is necessary to look into the mischief against which the statute is directed, other statutes in pari material and the state of the law at the time.

51. Noticee submits that one also needs to consider the Article 265 of the

Constitution which provides that not tax shall be levied or collected except by authority of law. Hence not only the levy but even the collection of the tax shall be only by authority of law.

Conclusion of assessing authority

It is observed that the declaration of output tax by the suppliers and the claim of ITC by the recipient tax payers' is system driven. There is proper mechanism in the monthly statement of outward supplies filed in Form GSTR-1 filed by the suppliers, wherein the suppliers can amend date of invoice issued, GST registration number of the recipient, taxable value and taxes mentioned in the invoices issued etc. Since, the ITC data appearing is system driven, the tax payer ought to have addressed the suppliers for the amounts not appearing in GSTR-2A before the filing of their annual return on dt:28-12-2020, by due reconciliation of ITC as availed by them in their books of account or GSTR-3B returns filed with the data appearing on the common portal in the statement GSTR-2A, a facilitation provided by the Govt. **This reconciliation is required to examine the tax paid at the suppliers' end, wrong declaration of place of supply by the supplier, wrong mentioning of GSTIN of the recipient, supplier must have entered the data under RCM instead of regular invoice, supplier could be composition tax payer etc.**

In this connection it is observed that the ITC claimed by the tax payer is on the basis of self- assessment while filing monthly return, which is provisional as per Sec.41 of the CGST / TGST Act. The relevant provision is re-produced hereunder:

41. (1) Every registered person shall, subject to such conditions and restrictions as may be prescribed, be entitled to take the credit of eligible input tax, as self-assessed, in his return and such amount shall be credited <u>on a provisional basis</u> to his electronic credit ledger.

To reach the finality in availing ITC, the tax payer has to fulfill the conditions as envisaged in Sec. 16 (2) before filing the annual return…

16. (2) Notwithstanding anything contained in this section, no registered person shall be entitled to the credit of any input tax in respect of any supply of goods or services or both to him unless,

(a) he is in possession of a tax invoice or debit note issued by a supplier registered under this Act, or such other taxpaying documents as may be prescribed;

"(aa) the details of the invoice or debit note referred to in clause (a) has been furnished by the supplier in the statement of outward supplies and such details have been communicated to the recipient of such invoice or debit note in the manner specified under section 37;".

(b) he has received the goods or services or both.

Explanation.—For the purposes of this clause, it shall be deemed that the registered person has received the goods where the goods are delivered by the supplier to a recipient or any other person on the direction of such registered person, whether acting as an agent or otherwise, before or during movement of goods, either by way of transfer of documents of title to goods or otherwise; Explanation.—For the purposes of this clause, it shall be deemed that the registered person has received the goods or, as the case may be, services— (i) where the goods are delivered by the supplier to a recipient or any other person on the direction of such registered person, whether acting as an agent or otherwise, before or during movement of goods, either by way of transfer of documents of title to goods or otherwise; (ii) where the services are provided by the supplier to any person on the direction of and on account of

such registered person."

(c) subject to the provisions of section 41 or section 43A, the tax charged in respect of such supply has been actually paid to the Government, either in cash or through utilization of input tax credit admissible in respect of the said supply; and

(d) he has furnished the return under section 39:

The tax payer has to read the above provision in toto, but not in isolated sub-sections.

The government has provided the search facility to know the return filing status of GSTR-1 & GSTR-3B of the suppliers online, even without logging in the common portal. Also, the government has provided the facility to know the status of percentage of tax paid by the supplier with reference the output tax declared in GSTR-1 and GSTR-3B after logging in the common portal using their credentials.

Hence, the burden of proof is on the tax payer, to substantiate their claim, that the suppliers have complied with the provision of Sec.16(2)(c) of the CGST / TGST Act, on the basis of which, they are entitled for ITC.

Further, the burden of proof of establishing the compliance of the provisions of Sec. 16 (2) lies on the Tax Payer as per Sec.155 of the CGST / TGST Act, which is re-produced hereunder:

155. Where any person claims that he is eligible for input tax credit under this Act, the burden of proving such claim shall lie on such person.

This Section categorically speaks that the burden of proof lies on the person who claims ITC. It does not speak that the burden lies on the supplier. It means, the person who claims the eligibility of ITC under this Act should establish the fact stipulated in Sec. 16 (2) (C). Failure to do the same, does not confer any right over the ITC claim.

Further, it is incorrect on the part of the tax payer that all the conditions of Sec 16(2) are fulfilled. In the present case, the tax stated to be paid by this tax payer to his suppliers has not been discharged to the Government which is in contrary to Sec 16(2) (C) of the Act. Even though the burden of proof lies on the tax payer that the above condition also to be fulfilled has not been proved the same beyond reasonable doubt. Therefore, the tax payer is not eligible to claim the said ITC.

- Supreme Court of India in a catena of case laws has held that, ITC cannot be claimed as a matter of right unless the tax is paid by the supplier.
- Jayam & Co. (2016) 96 VST 1, the Supreme Court had observed that input tax credit is a form of concession provided by the Legislature and can be made available subject to conditions.
- Reliance Industries Ltd., (2018) 16 SCC 28, it was held and observed that how much tax credit has to be given and under what circumstances is a domain of the Legislature.
- ALD Automotive Pvt Ltd. Vs CTO (2018) 70 GST 751, the Hon'ble Supreme Court of India held that the ITC is in nature of benefit extended to dealer under the statutory scheme. The concession can be received by beneficiary only as per the scheme of statute.

In the GST law the conditions for availing are envisaged in Sec. 16 (2) and any claim of ITC is subject to fulfillment of the same.

The Hon'ble Supreme Court in the *State of Karnataka v. M/s. Ecom Gill Coffee Trading Pvt. Ltd. [Civil Appeal No. 230 of 2023 dated March 13, 2023]* has quashed and set aside the order passed by the Hon'ble Karnataka High Court on the grounds that until the purchasing dealer discharges the burden of proof under Section 70 of the Karnataka Value Added Tax Act, 2003 ("**the KVAT Act**"), and proves the genuineness of the transaction/purchase and sale by producing the relevant materials, such as name and address of the selling dealer, details of the vehicle which has delivered the goods, payment of freight charges, acknowledgement of taking delivery of goods, tax invoices and payment particulars etc, such purchasing dealer shall not be entitled to Input Tax Credit ("**ITC**").

The Hon'ble High Court of Madras in the case of M/s Pinstar Automotive India (P) Ltd. Vs Additional Commissioner **[2023] 149 taxmann.com 13 (Madras)[20-03-2023] made the following observations:**

> ***"Undisputedly, provisions of aforesaid Section 16(2)(c) are required to be followed strictly and as per said Section, interest of Revenue are to be protected by meeting tax liability at hands of supplier or purchaser - Hence no fault could be attributed to Revenue in denying ITC to assessee when supplier did not deposit tax with Department that was charged from them in respect of supplies made to them by him"***

In this regard, reliance is also placed on the latest judgment passed in case of Aastha Enterprises by the Patna High Court, where the High Court said that ITC contemplates a credit being available to the buyer in its credit ledger by way of payment of tax by the supplier to the government. The eligibility to claim ITC for a buyer hinge not only on the amount collected by the seller via invoice raised, but also on the timely remittance of this sum by the seller to the government. The responsibility of proving that the tax collected has been remitted to the government rests with the buyer.

In view of the above findings and since the tax payer has neither produced any documentary evidence as observed by the above Hon'ble Courts nor any declarations or Chartered Accountant certificates in terms of CBIC Circular no. 193/05/2023-GST dated: 17.07.2023, even after giving sufficient time and opportunities. In the circumstances stated above, the undersigned is constrained to disallow the above ITC of CGST Rs.1227451/- & SGST Rs.1227451/-.

Point No:2 ITC to be reversed on non-business transactions & exempt supplies Noticee submits that the impugned Noticee has stated that the Noticee has declared an amount of Rs. 19,569/- as exempted and non-GST turnover, however, not reversed any ITC attributable to exempted turnover under Rule 42 and 43 of the CGST Act, 2017. In this regard, impugned Noticee has proposed to deny ITC of Rs. 5,14,185/- attributable to exempted and non-GST turnover under Rule 42 and 43 of the CGST Act, 2017.

53. In this regard, Noticee submits that the impugned Notice is erroneous for the following reasons, thereby, the same needs to be dropped out rightly.

a) Impugned Notice has not examined whether the turnover declared in GSTR-3B is required to considered for the purpose of reversal under Rule 42 and 43 of CGST Rules, 2017.

b) Impugned Notice has considered the entire ITC availed during the period as the common credit whereas the reversal under Rule 42 and 43 is required to be made only on common ITC used for provision of both taxable and exempted turnover.

This shows that the impugned Notice has been issued on incorrect basis and the same needs to be dropped.

54. With respect to the amount declared in GSTR-3B as exempted supplies the same is towards scrap sales which is neither for supply of goods not for supply of services. Therefore, the same shall not be considered as a supply at all. Once it is not a supply, then the same cannot be treated as an exempted supply for the purpose of reversal of ITC under Rule 42 of CGST Rules, 2017. Further, assuming that the ITC is required to be reversed, no inputs or input services are used for effecting such scrap sales. Hence, the demand proposed to that extent needs to be dropped.

Conclusion of assessing authority: The contention of the tax payer is examined and considered the same. Therefore, the restriction of ITC on exempted sales proposed in DRC-01 is dropped.

Point No:3 Under declaration of Ineligible ITC: Noticee submits that the impugned Notice has alleged that the Noticee has availed an amount of Rs.13,17,098/- on inputs or input services covered under Section 17(5) of the CGST Act, 2017.

56. In this regard, Noticee submits that the Noticee has received various inputs and input services for carrying out the constructions which would be give on rent and would be paying GST on the rental receipts. Since these inputs and inputs services are used for carrying out the rental services, Noticee has availed ITC of GST charged by their suppliers.

ITC is rightly eligible if commercial property is given on lease

57. Without prejudice to the above submissions, Noticee submits that the commercial Property constructed would be given on lease and discharging the GST on lease amounts received from their customers. In this regard, Noticee is of the firm belief that input tax credit availed on goods and services used for construction of immovable property can be availed as the said constructed property is used for providing taxable supplies on which GST would be discharged.

58. Noticee submits that Section 17 (5)(d) restricts ITC on goods or services or both received by a taxable person for construction of an immovable property

- **On his own account**, including
- When such goods and services are used in the course or furtherance of business.

59. Noticee submits that CGST Act nowhere declines the phrase – **on his own account** and therefore the ordinary meaning of the said expression has to be taken. For this purpose, the dictionary meaning of the same can be referred which is as below.

- **Chamber's 20th Century Dictionary** – On one's own account means "for one's own sake". "on one's responsibility".
- **Concise Oxford Dictionary** – "On one's own account" means 'for and at one's own purpose and risk".

- **Shorter Oxford Dictionary** – "On one's account" means 'in his behalf and at his expenses"

From the above, the expression – on his own account means "for his own purposes."

60. In this regard, Noticee submits that the Noticee is carrying out the construction for the purpose of giving the same on rent and not for its own purpose. Hence, the same shall not be considered as constructed on own account and the impugned Notice to that extent Deeds to be dropped. The restriction is applicable only when the construction has been done for the purpose of own usage and not for carrying out any business from such constructed premises. In the present case, Noticee intends to give the said constructed premises. In the present case, Noticee intends to give the said constructed property on rent. In both cases, Noticee would be discharging tax on outward supply. Hence, the same shall not be considered as constructed on its own account. Thereby, Noticee is rightly eligible for ITC.

61. Noticee further submits that the rationale behind the introduction of Section 17(5) of GST Act, 2017 is to block the ITC in respect of such situations where the goods or services or both are not utilized for the purpose of making inter alia further taxable supply. This shows that the intention is to cover the situations where there is not outward taxable supply, therefore, the same cannot be applied to the instant case where the Noticee would be discharging GST on lease income.

Denying the ITC will result in cascading effect which is not the intention of the Statute

62. Noticee submits that the 101st Constitutional Amendment Act 2016 clearly states in the Statement of Objectives for ushering in GST that it is to remove the cascading effect of taxes and allow the seamless flow of the Tax credit across the supply chain. It means that it should avoid tax on tax. To achieve this objective, GST law is designed to levy GST only on value addition at each stage of the supply chain starting from Manufacture or import and to the last retail level. This is with a facility of the input credit of taxes paid on the procurements of goods or services or both made and allowing to utilizing for payment of GST on the output. Any restrictions on ITC availment would result in the cascading effect of taxes and disturb the aforesaid object of GST.

63. Noticee submits that the interpretation of Section 17(5)(d) followed by the impugned Notice will lead to a conclusion that Noticee is not entitled to avail benefit of input tax credit while paying output GST liability on rent received. It is undisputed fact that CGST and TSGST have been introduced to remove the cascading effect of various indirect taxes and reduce the multiplicity of indirect taxes.

64. Noticee submits that a huge quantity of goods and services is required in order to construct any commercial property. Such procurements contain a high amount of Input tax credit , if the analogy given by the Notice is followed, the said input credit could be directly contributing in addition of the cost of the project which would have to be borne by the consumers. Such a sharp and inevitable increase in cost will make Noticee's commercial properties uncompetitive.

65. Noticee further submits that construction of the commercial property and letting it out the same will not result in a break in the tax chain but the interpretation followed by the impugned Noticee will treat Noticee different against those taxable persons provided in Section 16 who are enjoying free flow of input tax

credit. Therefore, the said Notice should be dropped immediately as it is clearly against the basic principle of GST law.

66. In this regard, Noticee wishes to place reliance on Hon. Orissa High Court decision in the case of **Safari Retreats Private Limited vs. Chief Commissioner of CGST** [2019 (25) GST 341 (Ori.)] wherein it was held that – "While considering the provisions of Section 17(5)(d). the narrow construction of interpretation put forward by the Department is frustrating the very objective of the Act, inasmuch as the petitioner in that case has to pay huge amount without any basis. Further, the petitioner would have paid GST if it disposed of the property after the completion certificate is granted and incase the property is sold prior to completion certificate, he would not be required to pay GST. But here he is retaining the property and is not using for his own purpose but he is letting out the property on which he is covered under the GST, but still he has to pay huge amount of GST, to which he is not liable.
20. In that view of the matter, in our considered opinion the provision of Section 17(5)(d) is to be read down and the narrow restriction as imposed, reading of the provision by the Department, is not required to be accepted, inasmuch as keeping in mind the language used in (1999) 2 SCC 361-1999 (106) E.L.T. 3(S.C.) (supra), the very purpose of the credit is to give benefit to the assessee in that view of the matter, it the assessee is required to pay GST on hterental income arising out of the investment on which he has paid GST, it is required to have the input credit on the GST, which is required to pay under Section 17(5)(d) of the CGST Act."

67. Further, in the case of **Eicher Motors Ltd., v. U.O.I** [1999 (106) E.L.T. 3(S.C.)] it was held that –

"6. We may look at the matter from another angle. If on the inputs the assessee had already paid the taxes on the basis that when the goods are utilized in the manufacture of further products as inputs thereto then the tax on these goods gets adjusted which are finished subsequently. Thus a right accrued to the assessee on the date when they paid the tax on the raw materials or the inputs and that right would continue until the facility available thereto gets worked out or until those goods existed. Therefore, ti becomes clear that Section 37 of the Act does not enable the authorities concerned to make a rule which is impugned herein and therefore we may have no hesitation to hold that the rule cannot be applied to the goods manufactured prior to 16-3-1995 on which duty had been paid and credit facility thereto has been availed of for the purpose of manufacture of further goods"

68. Noticee also wishes to place reliance on the decision of the Hon'ble Supreme Court in the case of **Collector of Central Excise, Pune v. Dal Ichi Karnataka Ltd.** [1999 (112) E.L.T. 353 (S.C.)], paragraph-18 of which is quoted below:

"18. It is clear from these Rules, as we read them, that a manufacturer obtains credit for the excise duty paid on raw material to be use by him in the production of an excisable product immediately it makes the requisite declaration and obtains an acknowledgement thereof. It is entitled to use the credit at any time thereafter when making payment of excise duty on the excisable product. There is not provision in the Rules which provides for a reversal of the credit by the excise authorities except where it has been illegally or irregularity taken, in which event it stands cancelled or, if utilized, has to be paid for. We are here really concerned with credit that has been validly taken, and its benefit is available to the manufacturer without any limitation in time or otherwise unless the manufacturer itself chooses not to use the raw material in the excisable product. The credit is, therefore, indefeasible. It should also be noted that there is no correlation of the raw material and the final product, that is to say, it is not as if credit can be taken only on a final product that is manufactured out of the particular raw material to which the credit is related. The credit may be taken against the excise duty on a final product manufactured on the very day that it becomes available."From the above- referred decision, it is clear that the ITC availed by the Noticee is rightly eligible and the allegation of the impugned Notice is not correct.

Violation of Article 14 and 19(1)(g) of the Constitution

69. Noticee submits that the phrase "own account" by any stretch of imagination cannot be interpreted to mean that it covers a situation where the property is intended to be leased out. Even if the purposive intention is applied, it is apparent on the reading of Section 17(5)(d) that, in a situation where a movable asset after purchase is rented out then there are express provisions in Section 17 to allow the ITC on purchase of the movable asset. Thus, it cannot be said that the lawmakers intend the supply of movable and immovable property in so far asutilization of the property for the purposes of renting to be treated differently. Such interpretation would result in a violation of Article 14 and 19(1)(g) of the Constitution of India. Therefore, Noticee is rightly eligible for ITC and the impugned Noticee is required Notice is required to be dropped to that extent.

70. Noticee submits that when the construction is undertaken on own account, the Noticee would not be paying any GST on the same, and in such circumstances, it is justifiable to say that ITC is restricted. However, in the instant case Noticee would be discharging GST on the lease amounts received from their customers. Consequently, in such a situation there is no break in the tax chain and Noticee is fully justified to avail the input tax credit. Therefore, denial of the input tax credit would be completely arbitrary and the impugned Notice should be dropped to that extent.

71. Noticee submits that denial of input tax credit in respect of an immovable property which is meant and intended to be let out equates its position with sale of building before issuance of completion certificate. Noticee submits that these two transactions cannot be compared together for the purpose of levy of GST. Noticee submits that treating these two types of the transaction on the same footing amounts to self-contradiction wherein GST is not at all payable on the sale of building after receipt of occupancy certificate but GST is payable on lease amounts received from leasing of such building. This shows that Section 17(5)(d) is in violation of Article 14 of the Constitution of India. Thus, the impugned Notice is violative of the Noticee's fundamental right to equality guaranteed by and under Article 14 of the Constitution, hence is liable to be quashed.

72. Noticee submits that the analogy followed by the impugned Notice by denying the input tax credit on the construction of an immovable property will lead to double taxation i.e. firstly on the inputs consumed in the construction of the building and secondly, on the rentals generated by the same building. It is also a settled principle of interpretation of tax statutes, that interpretation should be adopted which avoids or obviates double taxation. This principle is also directly applicable to the present case.

73. Noticee further submits that denial of the said ITC would also be violative of the Noticee's fundamental right to carry on business under Article 19(1)(g) of the Constitution as it would impose a wholly unwarranted and unreasonable and arbitrary restriction which would render buildings now constructed for letting out uncompetitive, by imposing the burden of double taxation of GST on such buildings. Hence, the impugned Notice is not correct and the same needs to be dropped.

Conclusion of assessing authority: The contention of the tax payer is examined and considered the same. The tax payer utilized the ITC for their furtherance business. Hence, the ineligible under Section 17(5) of GST Act'2017 proposed in DRC-01 is dropped.

Statement of Computation of Liability

S.No	Issue	Amt in SCN		Amt determined by AA	
		SGST	CGST	SGST	CGST
1	Excess claimed of ITC	1227451.90	1227451.90	1227451.90	1227451.90
	Total liability			1227451.90	1227451.90
Less Tax paid after issuing SCN but within (30) days					
Less Tax paid after issuing SCN but after (30) days					
Net liability				**1227451.90**	**1227451.90**

I confirm the penalty tax an amount of Rs.122745/- under SGST and Rs.122745/- under CGST under Section 122 of GST Act'2017.

Deputy Commissioner(ST)-III
Secunderabad Division

Office of : Deputy Commissioner
Jurisdiction : Telangana, State/UT : Telangana

Reference No. : ZD361224000975I   Date : 02/12/2024

To

GSTIN/ID : 36AAHCG4562D1ZP
Name : GV RESEARCH CENTERS PRIVATE LIMITED
Address : 5-4-187/3, Soham mansion, MG Road, MG Road, Secunderabad, Hyderabad, Telangana, 500003

SCN/Statement Reference No. : ZD3602220020258   Date : 05/02/2022

Tax Period : APR 2020 - MAR 2021   F.Y. : 2020-2021

Act/ Rules Provisions :
GST

Order under section 73

A show cause notice/statement referred to above was issued to you u/s 73 of the Act for reasons stated therein. Since, no payment has been made within 30 days of the issue of the notice by you; therefore, on the basis of documents available with the department and information furnished by you, if any, demand is created for the reasons and other details attached in annexure

Please note that interest, if any, has been levied up to the date of issue of the order. While making payment, interest for the intervening period between date of order and date of payment, shall also be worked out and paid along with the dues stated in the order.

In case any refund is arising as per the above order, please claim the same by filing application in the prescribed form.

Demand Details :-

(Amount in Rs.)

Sr. No.	Tax Rate (%)	Turnover	Tax Period		Act	POS (Place of Supply)	Tax	Interest	Penalty	Fee	Others	Total
			From	To								
1	2	3	4	5	6	7	8	9	10	11	12	13
1	0	0.00	APR 2020	MAR 2021	CGST	NA	12,27,452.00	0.00	1,22,745.00	0.00	0.00	13,50,197.00
2	0	0.00	APR 2020	MAR 2021	SGST	NA	12,27,452.00	0.00	1,22,745.00	0.00	0.00	13,50,197.00
Total							24,54,904.00	0.00	2,45,490.00	0.00	0.00	27,00,394.00

You are hereby directed to make the payment by 02/01/2025 failing which proceedings shall be initiated against you to recover the outstanding dues.

Signature
Name : JYOSHI KAVITHA
Designation : Deputy Commissioner
Jurisdiction : Telangana

Copy to -

FORM GST DRC - 07
[See rule 142(5)]
Summary of the order

Reference No. : ZD361224000975I

Date : 02/12/2024

1. Tax Period :- APR 2020 - MAR 2021

2. Issues involved :- Excess ITC claimed

3. Description of goods / services :-

Sr. No	HSN	Description
-	-	-

4. Details of demand :-

(Amount in Rs.)

Sr. No	Tax Rate (%)	Turnover	Tax Period		Act	POS (Place of Supply)	Tax	Interest	Penalty	Fee	Others	Total
			From	To								
1	2	3	4	5	6	7	8	9	10	11	12	13
1	0	0.00	APR 2020	MAR 2021	CGST	NA	12,27,452.00	0.00	1,22,745.00	0.00	0.00	13,50,197.00
2	0	0.00	APR 2020	MAR 2021	SGST	NA	12,27,452.00	0.00	1,22,745.00	0.00	0.00	13,50,197.00
Total							24,54,904.00	0.00	2,45,490.00	0.00	0.00	27,00,394.00

You are hereby directed to make the payment by 02/01/2025 failing which proceedings shall be initiated against you to recover the outstanding dues.

Signature
Name : JYOSHI KAVITHA
Designation : Deputy Commissioner
Jurisdiction : Telangana

Copy to -